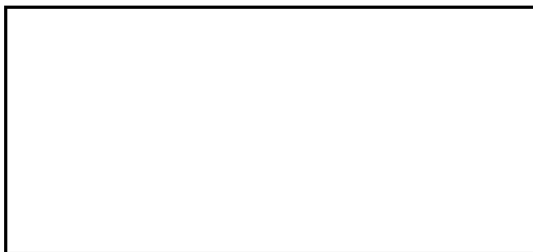


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26 October 1959

MEMORANDUM FOR THE DIRECTOR

SUBJECT: SNIE 25-59: Austria's Position Between East and West

1. This special estimate was produced in response to Under-Secretary Murphy's request for a paper on present trends in Austrian neutrality policy, and the implications of these trends for Austria's probable bearing in peacetime and international crises and war. This paper is designed for use by State and Defense officers in preparation for the forthcoming visit of Austrian Defense Minister Graf, who is expected to raise some of the aid possibilities discussed in paragraph 11.

2. The paper contains one reservation, that by State to the last sentence of paragraph 13. State feels that in a final choice, US opposition would probably not deter Austria from turning (albeit very reluctantly) to the Soviet Bloc for either sizeable military support, or for key military items. (The military community seems firmly behind the present formulation.) Our position that Austria would be 'unlikely' to take such action is based above all on the feel of Austria's present position. Another major argument is that the

Austrians do not need the reserve program seriously, and need aircraft only for prestige purposes. We were also informed that last spring, when the Austrians did not accept the initial Bloc offer of aircraft, Graf told the US Air Attache that they would not take such aid unless we affirmatively said we approved. It may not go this far, but we do believe they would not be likely to do it over our objections.

3. We will have a routine Post Mortem for the record, noting that we found no substantial gaps in our intelligence. A Validity Study of the 1955 estimate seemed unnecessary, in view of our endorsing mention of that estimate in footnote 2 on page 1.

FOR THE BOARD OF NATIONAL ESTIMATES:

ABBOT E. SMITH
Acting Chairman